

personal property on the identical terms, basically, that the national banks have and the Banking Department would have or be allowed to implement rules and regulations to implement this right and there was some confusion, apparently, somebody asked a little while ago, well, would the State Banking Department be able to administer rules and regulations in such a way as to ever deny the right or curtail the right. And the answer is, no. That is not the intent of the legislation. The State Banking Department would only be able to administer rules and regulations to implement the right. I move the bill be advanced.

PRESIDENT: Senator Keyes.

SENATOR KEYES: Is it open for questions to Senator DeCamp?

PRESIDENT: Yes. Senator DeCamp, could you respond?

SENATOR KEYES: Okay, Senator DeCamp, now when the bank leases this equipment to the farmer and this is personal property, who is going to pay the tax on it? The farmer or is it going to be taxed on the bank or how will that go about?

SENATOR DeCAMP: Okay, the investment credit and the personal property taxes, these things, are handled in private contract depending upon what is agreed upon between the leasing company, the lessor and the lessee. Investment credit is involved there, too, and that is a major item, of course, and that is depending upon which benefits the most, interms I suppose of their income tax, that kind of thing. That is a private agreement. It could go either way.

SENATOR KEYES: Then, in other words, if the banker took it on him and he was going to pay the personal tax, would he pay in the country or would he pay in the city tax?

SENATOR DeCAMP: If the banker did it, my guess would be that he would pay in the city where the bank was located on the basis of some recent rulings or decisions, I think, that I have read about. I can't cite them but that is right, I think.

SENATOR KEYES: I would disagree with you. I would say it would be paid on the farm because wherever the personal property is located and situated the 1st of January is where they will pay taxes. That is the way it works.

SENATOR DeCAMP: I guess that is the...I don't know how...it really isn't that big an item. Who cares.

PRESIDENT: Senator Maresh.

SENATOR MARESH: Mr. President, a question of Senator DeCamp. Senator DeCamp, is there any chance that this property won't be taxed because the farmer won't claim or he will claim he doesn't own it and the banker won't be there to report it.

SENATOR DeCAMP: No, the odds are that it will be more likely to be taxed than anything because if the bank has it they can't afford to be in the position of being caught trying to dodge personal property taxes, whereas as you know now,